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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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ART UNIT			PAPER NUMBER	
3693				

DATE MAILED: 07/03/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/650,733	PILATO, ALEJANDRO M.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Jason M. Borlinghaus	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 11 April 2006.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-139 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-139 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

**Claims 1 - 139** are rejected under 35 U.S.C. 103(a) as being unpatentable over McMenemy (McMenemy, Jim. *Financial Management: An Introduction*. Routledge. New York, NY. 1999. pp. 15 – 17 and 20 – 21) in view of Heath (Heath, Robert L. *Strategic Issues Management: Organizations and Public Policy Challenges*. Sage Publications. Thousand Oaks, CA. 1997. pp. 86 – 87), Disclosed Prior Art (applicant's specification, pp. 1 – 2) and Stein (US Patent 5,684,952).

**Regarding Claim 1**, McMenemy discloses a method for providing financial functions (financial management) comprising the activities of (see figure 1.2, p. 15):

- relating to a financial risk management function (risk assessment). (see p. 16):

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- receiving financial information (financial information). (see figure 1.2, p. 15);
- creating risk management information (financial analysis) relating to the financial information (financial information). (see figure 1.2, p. 15);
- analyzing the risk management information (financial analysis) in the context of the financial information (financial information). (see figure 1.2, p. 15); and
- determining an action (financial decisions) based on the analysis (financial analysis). (see p. 15).

McMenamin does not teach a computer-assisted method for providing financial functions by an agent for each of a plurality of institutional or corporate clients, comprising the activities of: relating to a financial function of each client:

- relating to a financial risk management function of each client;
- demonstrating that more than one activity of the agent is transparent to the client;
- receiving financial information at a computer of the agent;
- creating risk management information relating to the financial information;
- analyzing the risk management information in the context of the financial information;
- determining an action based on the analysis;
- facilitating implementation of the action on behalf of the client; and

- communicating with the client through a network one or more activities of the agent.

McMenamin does not teach that the providing financial functions comprising said steps is automated. However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have automated the method, since it has been held that broadly providing a mechanical or automatic means to replace manual activity that accomplishes the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

While McMenamin does not explicitly state the implementation of said decision, however, it is old and well-known in the art that implementation of said decision is a fundamental and basic component, in fact the end result, of the entire decision-making process, as evidenced by Heath which states a strategic issues management model developed by "Hainsworth and Meng (1988) use to feature scanning-monitoring, identification-prioritization, analysis, (strategy) decision, implementation, and evaluation." (see p. 86). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin by incorporating an implementation stage, as disclosed by Heath, allowing for actual implementation of the strategic decision formulated in said financial function.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art which states "In the financial sector typical functions being outsourced tend to be restricted to back-office

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functions such as settlements, clearing, safe custody, etc. More recently, however, all firms have begun to outsource functions that were previously considered too close to either the strategic management of the core business or to the identity of the firm for outsourcing.” (see p. 2, lines 4 – 9). It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin and Heath to incorporate the ability to allow for the financial function process to be outsourced and/or, otherwise, to be performed by an agent, to capture the financial and/or flexibility benefits of outsourcing such functions.

Utilizing a computer network in such a manner that an activity performed by one computer user is transparent to another user, and allowing for communication between said users through the network is old and well known in the art of computer network design and information technology systems, as evidenced by Stein which states a “system for enabling an administrator to monitor and control individual workstations within a network” (see col. 1, lines 12 – 14) and “...digital data include digitized audio information, which permit the students and the teacher to communicate with one another, as well as screen data which enables the information presented on the screen of one workstation to be displayed on the monitors of other workstations.” (see col. 4, lines 43 – 48). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath and Disclosed Prior Art by incorporating a computer system, as disclosed by Stein, allowing the client to supervise the functioning of the agent and allow for communication between the two parties.

**Regarding Claim 2,** McMenamin discloses a method wherein:

- the financial information is received. (see figure 1.2, p. 15).

McMenamin does not teach a method wherein:

- the financial information is received through a network.

Stein discloses a method wherein:

- the information is received through a network (Ethernet network). (see col. 4, lines 39 – 48).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating the ability to receive financial information, as disclosed by McMenamin, via a network, as disclosed by Stein, allowing for fast and efficient communication to the computer's utilized by the agents.

**Regarding Claims 3 – 5**, McMenamin discloses a method wherein said activity of facilitating the action includes:

- recommending (presenting) an action (strategic decisions). (see p. 15).

McMenamin does not teach a method wherein said activity of facilitating the action includes:

- implementing the action on behalf of the client;
- instructing the client to implement the action; and
- recommending that the client implement the action.

While McMenamin does not explicitly state the implementation of said decision, however, it is old and well-known in the art that implementation of said decision is a fundamental and basic component, in fact the end result, of the entire decision-making

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process, as evidenced by Heath (see p. 86). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMEnamin, Heath, Disclosed Prior Art and Stein by incorporating an implementation stage, as disclosed by Heath, allowing for actual implementation of the strategic decision formulated in said financial function.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art (see p. 2, lines 4 – 9). It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMEnamin, Heath, Disclosed Prior Art and Stein to incorporate the ability to allow for the implementation of action to be carried out by the agent on behalf on the client, or to inform the client of the agent's findings, allowing the client to carry out implementation themselves.

**Regarding Claims 6 – 8, McMEnanin does not teach a method further comprising:**

- notifying the client that an action will be implemented by the agent;
- notifying the client of the action implemented by the agent; and
- receiving notification from the client of an action implemented by the client.

Stein discloses a method further comprising:

- notifying (communicating with the) the client (teacher) by the agent (students). (see col. 4, lines 39 – 48); and



- receiving notification (communication) from the client (teacher). (see col. 6, lines 27 – 36).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating an ability for said parties, such as the client and agent, to communicate through the system, as disclosed by Stein, to allowing for said parties to be fully informed and in continuous communication about their activities.

Communication between a principal and an agent in a principal-agent relationship, concerning the activities or the planned activities of said parties having an impact on their relationship, is old and well in the arts of business and strategic planning, and principal-agent relationships. It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath, Disclosed Prior Art and Stein to incorporate the ability for the agent to notify the client concerning the planned implementation and/or completed implementation of an action taken by the agent, on the client's behalf, and for the client to notify the agent concerning the planned implementation and/or completed implementation of an action taken by the client, allowing for said parties to be fully informed concerning implementation of actions which may have an impact upon their relationship.

**Regarding Claims 9 – 12**, McMenamin discloses a method wherein the action includes providing:

- a notification (findings). (see p. 15);
- a report (findings). (see p. 15);

- an analysis (findings). (see p. 15); and
- information (findings). (see p. 15).

**Regarding Claims 13 – 20**, neither McMenanim, Heath nor Disclosed Prior Art teach a method wherein the activity of communicating includes:

- enabling the client to access information regarding one or more activities of the agent;
- enabling the client to access information across a network regarding one or more activities of the agent;
- allowing the client to monitor across a network one or more activities of the agent;
- allowing the client to monitor in real-time across a network one or more activities of the agent;
- allowing the client to monitor in near-real-time across a network one or more activities of the agent;
- reporting to the client across a network one or more activities of the agent;
- reporting to the client in real-time across a network one or more activities of the agent; and
- reporting to the client in near-real-time across a network one or more activities of the agent.

Stein discloses a method wherein the activity of communicating includes:

- enabling the client (teacher) to access (observe) information regarding one or more activities (project/task) of the agent (student). (see col. 5, line 65 – col. 6, line 10);
  - enabling the client (teacher) to access (observe) information across a network (Ethernet network) regarding one or more activities (project/task) of the agent (student). (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
  - allowing the client to monitor across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
  - allowing the client to monitor in real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
  - allowing the client to monitor in near-real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
  - reporting to the client (via observation by client) across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
  - reporting to the client in real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10);
- and

- reporting to the client in near-real-time across a network one or more activities of the agent. (see col. 4, lines 39 – 48 and col. 5, line 65 – col. 6, line 10).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanim, Heath, Disclosed Prior Art and Stein by incorporating the ability to allow the client to monitor activities of their agents, as disclosed Stein, to allow for supervisory control and monitoring of agents.

**Regarding Claims 21 – 23,** McMenanim discloses a method further comprising reporting one or more:

- effects (costs, benefits and risks) of the action (strategic options) on the risk management information (financial analysis/financial review). (see pp. 15 – 16);
- effects of an alternative action (strategic options – establishing multiple possible options/actions) on the risk management information (financial analysis/financial review). (see pp. 15 – 16); and
- reasons (financial analysis/financial review/findings) behind an action (strategic options). (see pp. 15 – 16).

McMenanim does not teach a method further comprising reporting one or more:

- effects of the agent's action on the risk management information;
- effects of an alternative action to the agent's action on the risk management information; and
- reasons behind an action determined by the agent.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art (see p. 2, lines 4 – 9). It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath, Disclosed Prior Art and Stein to incorporate the ability to allow for the examination of the effect of and/or reasons for an action caused by an agent, as disclosed by Disclosed Prior Art, to capture the financial and/or flexibility benefits of outsourcing such functions.

**Regarding Claims 24 – 26**, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein said activity of communicating includes:

- providing an audit log of one or more historical activities of the agent on behalf of the client;
- informing the client of results of reviews of one or more of historical activities of the agent.
- seeking feedback from the client on reviews of one or more of historical activities of the agent.

Obtaining historical information concerning an employee, agent and/or consultant, presenting said information to a client and/or employer for examination, and obtaining feedback from said client and/or employer about said employee, agent and/or consultant is old and well known in the art of human resources management and strategic planning, such as providing a potential employer with a resume for assessment or having an client update a performance review based upon their agent's

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activities. It would be obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenantin, Heath, Disclosed Prior Art and Stein by incorporating the ability to provide historical information to the client for review, allowing the client to gauge the reliability and/or effectiveness of said agent, and collecting feedback from said client concerning said agent, allowing the historical information to be updated and/or complete.

**Regarding Claim 27**, neither McMenantin, Heath, Disclosed Prior Art nor Stein teach a method wherein:

- the agent is conflict-free.

The benefits of a conflict-free agent operating in a principal-agent relationship is old and well known in the art of human resource management and principal-agent relationships. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenantin, Heath, Disclosed Prior Art and Stein by incorporating an agent that is conflict-free, allowing the client to capture the benefits inherent in having a conflict-free agent, as is old and well known.

**Regarding Claim 28**, neither McMenantin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising the agent receiving authority to implement the action on behalf of the client.

Establishing the scope and/or authority of an agent in a principal-agent relationship is old and well known in the art of principal-agent relationships and agency law. It would have been obvious to one of ordinary skill in the art at the time the

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invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any scope of agency authority that the inventor desired.

**Regarding Claims 29 - 30**, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising the client agreeing to implement actions recommended by the agent; and
- further comprising the client agreeing to implement actions instructed by the agent.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any response to the agents' recommendations/instructions that the inventor desired, such as agreement with or disregarding of agents' recommendations/instructions.

**Regarding Claims 31 – 32 and 34 - 37**, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- wherein facilitating the implementation of the action results in the negotiation of the terms of a trade;
- wherein the determination of the action includes an identification of a best rate or price at which the trade can be executed;
- wherein the implementation of the action results in execution of a trade;
- wherein the implementation of the action results in execution of a trade with a third party;

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- wherein the implementation of the action results in execution of a trade by the agent; and
- wherein the implementation of the action results in execution of a trade by the client.

Said actions are old and well known in the art of business transactions and financial management. Furthermore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein to allow and/or contract for the agent to implement and/or determine any action that the inventor desired, such as executing trades, conducting sales or manufacturing widgets.

**Regarding Claims 33 and 38**, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method:

- wherein said activity of determining the action is performed automatically;  
and
- wherein the action is implemented automatically.

However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have automated the method, since it has been held that broadly providing a mechanical or automatic means to replace manual activity that accomplishes the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

**Regarding Claims 39 – 46**, McMenamin discloses a method wherein the financial information includes:



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- any information. (“Any additional information that may be needed to complete the review will also be sought.” – see p. 15).

Neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein the financial information includes:

- financial guidelines.
- one or more benchmarks.
- action guidelines.
- market risk limits.
- credit risk limits.
- Liquidity guidelines.
- Maturity guidelines.
- credit guidelines.

Said financial information sources are old and well known in the art of financial analysis and strategic planning. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said financial information, as is old and well known, to provide “any additional information that may be needed to complete the review” (see p. 15), as disclosed by McMenamin.

**Regarding Claims 47 – 55 and 66 – 95**, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein the financial risk management function includes:

- short-term funding and cash management;

- cashflow management;
- liquidity management;
- cash management;
- investment management;
- repo (repurchase agreement) funding;
- debt management;
- debt issuance;
- asset and liability management;
- treasury management;
- credit management;
- credit spread trading;
- loan portfolio management;
- equity portfolio management;
- fixed income portfolio management;
- funding;
- collateral management;
- lending of securities;
- borrowing of securities;
- counterparty credit exposure management;
- financial risk management;
- market risk management;
- credit risk management;

- commodity price risk management;
- liquidity risk management;
- operational risk management;
- management of insurable risks;
- electricity price risk management;
- pension fund management;
- real estate management;
- hedging;
- dynamic hedging;
- mortgage pre-payment risk management;
- front-office activities;
- middle-office activities;
- back-office activities;
- front-office and middle-office activities;
- middle-office and back-office activities; and
- front-office, middle-office and back-office activities.

Said financial functions, either as a manual function, utilizing pen and paper , a mental function, performing mental computations within the head of a person, or as a computerized function, are old and well known in the arts of financial management and accounting management. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said financial functions, as are old and well known, into

the financial management process, as disclosed by McMenamin, allowing the application of standard computations and financial processing into the financial management process.

**Regarding Claims 56 – 65**, neither McMenamin, Heath, Disclosed Prior Art nor Stein teach a method wherein the financial function includes asset and liability management and wherein:

- the assets include insurance premiums;
- the liabilities include insurance claims;
- the assets include life insurance premia;
- the liabilities include life insurance claims;
- the liabilities include pension claims;
- the liabilities include legal claims;
- the assets include leases;
- the liabilities include leases;
- the assets include operational cashflows; and
- the liabilities include operational cashflows.

Said assets and liabilities, and their use in asset and liability management, are old and well known in the arts of financial management and accounting management. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said assets and liabilities, as are old and well known, into the asset and

liability management process, allowing for accurate and precise computations and, therefore, accurate and precise asset and liabilities management decisions.

**Regarding Claims 96 – 101**, neither McMenamin, Heath, Disclosed Prior Art nor Stein discloses a method wherein the financial information includes:

- detailed information on financial instruments relevant to a financial function;
- historical market data relevant to the financial function;
- current market data relevant to the financial function;
- economic information relevant to the financial function;
- any information relevant to the financial function; and
- strategic financial objectives.

Said financial information, and their use in a financial function and/or financial decision making process, is old and well known in the arts of financial management and accounting management. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating said financial information, as are old and well known, as incoming information in the financial management process, as disclosed by McMenamin, allowing for accurate and precise computations and, therefore, accurate and precise asset and liabilities management decisions.

**Regarding Claims 102 - 111**, neither McMenamin, Heath, Disclosed Prior Art nor Stein discloses a method wherein the client includes:

- departments of the client;

- subsidiaries of the client;
- affiliates of the client;
- clients of the client;
- regulators of the client;
- auditors of the client;
- agents of the client;
- advisors of the client;
- counterparties of the client; and
- shareholders of the client.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein to allow for any client that the inventor desired.

**Regarding Claim 112**, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

**Regarding Claim 113**, further apparatus claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

**Regarding Claim 114**, Claim 114 recites similar limitations to Claim 1 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1.

**Regarding Claims 115 – 116**, McMenamin discloses a method further comprising:

- receiving risk management information (financial analysis). (see figure 1.2, p. 15); and
- receiving the analysis (financial analysis). (see figure 1.2, p. 15).

McMenamin does not teach a method further comprising:

- receiving risk management information generated by an agent at the client; and
- receiving the agent's analysis at the client.

Principal-agent relationships and the outsourcing of functions and/or activities to said agents is old and well known in the arts of business and strategic planning, and principal-agent relationships, as evidenced by Disclosed Prior Art. (see p. 2, lines 4 – 9). Furthermore, communication and/or delivery of agent output to the principal are old and well known in the arts of business and strategic planning, and principal-agent relationships. It would have been obvious one of ordinary skill in the art at the time of the invention to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating the ability to allow for the communication and/or delivery of information generated by the agent to the client, to allow the principal to have the end results and/or output of agents' activities.

**Regarding Claims 117 - 120**, Claims 117 – 120 recite similar limitations to Claims 5 – 7 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 5 – 7.

**Regarding Claims 121 - 123**, Claims 121 – 123 recite similar limitations to Claims 13 – 20 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 13 – 20.

**Regarding Claims 124 - 126**, Claims 124 - 126 recite similar limitations to Claims 21 - 23 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 21 – 23.

**Regarding Claims 127 - 128**, Claims 127 - 128 recite similar limitations to Claims 24 - 26 and are therefore rejected using the same art and rationale as applied in the rejection of Claims 24 – 26.

**Regarding Claim 129**, Claim 129 recites similar limitations to Claim 1 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1.

**Regarding Claim 130**, Claim 130 recites similar limitations to Claims 1 and 25, in combination, and is therefore rejected using the same art and rationale as applied in the rejection of Claims 1 and 25, in combination. Claim 130 differs from Claim 1 and 25, in that Claim 130 makes Claim 1 conditional upon Claim 25. However, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow condition and/or reasoning for the provision of “new financial information” as under Claim 1 that the inventor desired.

**Regarding Claims 131 - 132**, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:



- further comprising removing the agent's authority to undertake any action on behalf of the client; and
- further comprising removing the authority of the agent in connection with one or more actions.

Establishing the scope and/or authority of an agent in a principal-agent relationship is old and well known in the art of principal-agent relationships and agency law. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any scope of agency authority that the inventor desired.

**Regarding Claims 133 - 134**, neither McMenanin, Heath, Disclosed Prior Art nor Stein teach a method:

- further comprising requesting the agent to halt one or more actions; and
- requesting, through a network, the agent to halt one or more actions.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein to allow and/or contract for any response to the agents' recommendations/instructions that the inventor desired, such as agreement with or disregarding of agents' recommendations/instructions.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenanin, Heath, Disclosed Prior Art and Stein by incorporating the ability to transmit said information via the network, as disclosed by Stein, to allow for fast and efficient communication of said information.

**Regarding Claim 135**, Claim 135 recites similar limitations to Claim 2 and is therefore rejected using the same art and rationale as applied in the rejection of Claim 2.

**Regarding Claim 136**, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

**Regarding Claim 137**, further apparatus claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

**Regarding Claim 138**, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

**Regarding Claim 139**, further computer medium claim would have been obvious from method claim rejected above, Claim 1, and is therefore rejected using the same art and rationale.

### ***Response to Arguments***

Applicant's arguments, filed 4/11/06, with respect to objection and §112 rejection of 1/13/06 have been fully considered and are persuasive, and have, therefore, been withdrawn. Applicant's remaining arguments filed 4/11/06 have been fully considered but they are not persuasive.

**In response to applicant's argument that examiner failed to read claim(s) in light of the specification**, the examiner asserts that the examiner did read claim(s) in light of the specification. Although the argued elements are found as examples and/or embodiments in the specification, they were not claimed explicitly in the disputed claim(s). Nor were the words that are used in the claims defined in the specification to require these limitations. A reading of the specification provides no evidence to indicate that these limitations must be imported into the claims to give meaning to disputed terms. Therefore, although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993) and MPEP §2111.01

Furthermore, while applicants may be their own lexicographer, any special meaning assigned to a term "must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention." See *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998). Examiner asserts that the specification fails to indicate a clear or obvious departure from the common and ordinary definition of the disputed claim term, and, therefore, the common and ordinary definition of the disputed claim term was properly utilized for application of prior art.

For example, the specification states "[t]he present invention relates to the field of financial risk management and trading, and, more particularly, to a method and system for clients to outsource financial functions to an agent." (see p. 1, lines 5 – 7). Such statements indicate that the "financial functions" are a subset of "financial risk

management” functions. However, the specification also states “[t]ypical financial functions are treasury, credit management, risk management, and trading, together with several of their associated sub-functions.” (emphasis added - see p. 2, lines 16 – 17). Such statement indicates that “risk management” functions are a subset of “financial functions.” Such a contradiction falls far short of a clearly expressed desire to define claim terminology.

Therefore, without a “sufficiently clear...departure from common usage”, the examiner is to utilize the common and ordinary definition of the disputed claim term. And such common and ordinary definition is to be applied as to provide the “broadest reasonable interpretation” consistent with the specification during the examination of a patent application since the applicant may then amend his claims.” (emphasis added) See *In re Prater and Wei*, 162 USPQ 541, 550 (CCPA 1969).

**In response to the applicant’s traversal of Official Notice finding(s) in previous office action**, examiner asserts that the traversal is inadequate. Adequate traversal is a two-step process. First, applicant(s) must state their traversal on the record. Second and in accordance with 37 C.F.R. 1.111(b) which requires applicant(s) to specifically point out the supposed errors in the Office Action, applicant(s) must state why the Official Notice statement(s) are not to be considered common knowledge or well known in the art.

In this application, while applicant(s) have clearly met step (1), applicant(s) have failed step (2) since they have failed to argue why the Official Notice statement(s) are not to be considered common knowledge or well known in the art. Because

Applicant(s)' traversal is inadequate, the Official Notice statement(s) are taken to be admitted as prior art. See *MPEP 2144.03*.

In the applicant's response, the applicant merely made a blanket statement that "[t]o the extent that Official Notice is explicitly or implicitly utilized to support any rejection" and failed to even specify which claims the applicant is contesting, , never mind articulating a basis for the applicant's arguments against the taking of Official Notice.

For example, should the applicant decide to traverse the taking of Official Notice in regards to Claim 39, applicant should argue that it is not common knowledge nor well known in the art to utilize financial information including financial guidelines when making a financial decision. Or should the applicant decide to traverse the taking of Official Notice in regards to Claim 48, applicant should argue that it is not common knowledge nor well known in the art that financial management, either manual or automated financial management, involves cashflow management.

**In response to the applicant's argument concerning inherency**, examiner believes that applicant has misread the previous office action. Examiner agrees with applicant's assertion that inherency "requires that the missing descriptive material is 'necessarily present,' not probably or possibly present, in the prior art." See *Trintec Indus., Inc. v. Top-U.S.A. Corp.*, 295 F.3d 1292, 1295, 63 USPQ2d 1597, 1599 (Fed. Cir. 2002).

However, examiner was only able to locate one use of inherency in the previous office action, Claim 27, as applicant has failed to cite the claim being referenced. In

Claim 27, inherency was not utilized to state that a claim limitation was inherently present in the disclosed prior art but to state that the motivation was inherent on the basis of the claim language, itself.

Claim 27 claims “the agent is conflict-free.” Examiner asserted that “[t]he benefits of a conflict-free agent operating in a principal-agent relationship is old and well known in the art of human resource management and principal-agent relationships. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified McMenamin, Heath, Disclosed Prior Art and Stein by incorporating an agent that is conflict-free, allowing the client to capture the benefits inherent in having a conflict-free agent, as is old and well known.” (emphasis added).

The examiner was utilizing the term inherent in regards to articulating the benefits of having an agent being conflict-free, that is having an agent that is unbiased and free of conflicts of interest. Such motivation for having a conflict-free agent would be “inherent” based upon the definition of the word, itself, as in our level of reality one generally seeks an agent, employee and/or advisor that is unbiased and free of conflicts of interest to conduct financial analysis on one’s behalf.

**In response to the applicant’s argument that the specification does not constitute Disclosed Prior Art**, the MPEP states that when “the specification’s background of the invention describes information as being known or conventional, [it] may be considered as an admission of prior art.” *MPEP § 704.11 (a)*. To that end, the background does utilize terminology that indicates the disclosed information is known or conventional through the use of language such as “commonly”, “frequently”,

“conventionally” and/or “traditionally.” Therefore, examiner asserts that information contained within the specification under the title “Background of the Invention” is an admission of prior art and, therefore, Disclosed Prior Art.

**In response to applicant’s argument that examiner has failed to establish a prima facie case of obviousness**, examiner asserts that a prima facie case of obviousness has been established. Applicant is reminded that “[t]o establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.” (emphasis added) See *MPEP* § 2143.

**In response to applicant's argument that there is no suggestion to combine the references**, the Courts have stated that “[a] suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references...The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art... there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” (emphasis added). *In re*

*Kahn*, 78 USPQ2d 1329, 1336 (CA FC 2006). Examiner asserts that he can and/or has provided such “articulated reasoning” to support the legal conclusion of obviousness.

**In response to applicant’s argument that there must be a reasonable expectation of success**, examiner asserts that there must only be “a reasonable expectation of success.” *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Obviousness “does not require absolute predictability of success,” merely some degree of predictability is required. *In re O’Farrell*, 7 USPQ2d 1673, 1681 (CA FC 1988). However, evidence that there was no reasonable expectation of success may refute a conclusion of obviousness. *In re Rinehart*, 531 F.2d 1048, 189 USPQ 143 (CCPA 1976). Lacking such evidence, examiner maintains that, based upon the prior art reference(s) and the knowledge of one of ordinary skill in the art, that there is a reasonable expectation of success.

As applicant fails to articulate any substantive arguments pertinent to the pending claims in regards to lack of motivation and/or reasonable expectation of success, although applicant does cite voluminous quantities of caselaw, examiner is unable to further address applicant’s arguments in these regards. Applicant merely made a broad assertion and cited caselaw but failed to indicate any way in which the prior office action failed to establish these elements a prime facie case of obviousness.

**In response to applicant’s argument that the prior art reference(s) fail to disclose “a financial risk management function” as claimed in Claims 1, 112 – 114 and 136 – 139**, examiner assumes the applicant means to address pending claims, as



currently amended, as such limitations were only just been incorporated into the pending claims, and were not present when originally rejected.

Regardless, McMenamin does disclose a "financial risk management function," as McMenamin discloses a "financial management process" (see p. 15) part of which is "the financial evaluation and assessment of the [strategic] options presented, in determining their respective costs, benefits and risks." (see p. 16). A "financial management process" that performs a "financial evaluation and assessment" of "risks" is a financial risk management function.

**In response to applicant's argument that the prior art reference(s) fail to disclose cited claim limitations in Claims 1 – 139**, examiner will attempt to address arguments en masse, when possible, as several arguments can be addressed by similar rationale.

First, in response to applicant's piecemeal analysis of the references, "one cannot show non-obviousness by attacking references individually where, as here, the rejections are based on combinations of references." *In re Keller, Terry, and Davies*, 208 USPQ 871, 882 (CCPA 1981).

Second, the recitation has not been given patentable weight because the recitation occurs in the preamble, such as portions of contested claim limitations in Claims 1 - 139. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535

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*F.2d 67, 190 USPQ 15 (CCPA 1976) and Kropa v. Robie, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).*

Third, the applicant asserts that examiner failed to “even attempt to identify a reference for limitations of dependent claims 27 – 32, 34 – 37, 39 - 111 and 131 – 132.” (see applicant argument’s, p. 25). Examiner asserts that no reference(s) were identified by the examiner as Official Notice was taken by the examiner, which precludes the use of prior art reference(s), a fact which the applicant addressed earlier in its arguments through an inadequate traversal of Official Notice.

Now to the argued claim limitations specifically, a known manual financial decision-making methodology was disclosed by McMEnamin. Such prior art reference was modified through automation via *In re Venner*, to capture the benefits natural to such automation – speed, uniformity and/or reliability. Automation would have constituted the use of a computer to make such automation possible, an argument buttressed by the use of a computer network, as disclosed by Stein. The outsourcing of this financial function, either the outsourcing of the manual or the computerized process, would have been obvious in light of Disclosed Prior Art. Finally, a supervision system that allowed management to oversee their agents and/or employees at their individual workstations, is disclosed by Stein, serving to monitor and provide transparency concerning the actions of the agents. This satisfies Claim 1.

Claim 112 and 136 is obvious in light of the rejection of Claim 1 as to the best knowledge of the examiner the above-cited computer would be inoperable without

programming encoded on some computer-readable medium or processors to constitute the innards of a functioning computer.

Claims 113 and 137 are obvious in light of the rejection of Claim 1 as the automated system would constitute an apparatus.

Claims 114 – 135, 138 and 139 are all similar to Claim 1, and examiner is unsure of the extent of the applicant's argument as the applicant fails to articulate the missing claim limitations that the applicant finds lacking.

**In response to applicant's arguments concerning the prior art reference(s),** examiner asserts that both prior art reference(s) disclose claim limitations as presented and are applicable to the inventor's field of endeavor.

McMenamin, despite applicant's allegations, has not been mischaracterized. Both applicant's invention and McMenamin disclose a financial management methodology for financial decision-making. While applicant couches its invention in terms of "a method of financial functions...receiving financial information...analyzing information...determining an action based upon the analysis" (see Claim 1), McMenamin couches its methodology in terms of a "financial management process" with numerous stages such as collecting "financial information", conducting "financial analysis" and "financial decision-making" to make "financial decisions and choices." (see p. 15 – 16 and fig. 1.2). While McMenamin is an introductory chapter of a financial management textbook it is applicable to the invention, nonetheless. Furthermore, the missing factors of "computer-assisted method" and "by an agent" are addressed via Stein, Disclosed Prior Art and *In re Venner*.

Heath, despite applicant's allegations, is "reasonably pertinent" and "within the field of the inventor's endeavor." Applicant seeks to automate a decision-making methodology with an information collection phase, an analysis phase, a decision phase and an implementation phase. Heath and McMenamin are textbooks that pertain to decision-making methodologies. While McMenamin concentrates on decision-making in a financial management context, Heath discusses the basic underpinnings of a decision-making methodology regardless of the context. While the applicant alleges that "reconciliation of conflicting internal interests on public policy issues" fail to relate to the inventor's endeavor, applicant has failed to consider the prior art reference in its entirety as the reference cites a decision-making model for "Strategic Issues Management" (the title) and such decision-making methodology in connection with "corporate business strategy".

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).


A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jason M. Borlinghaus whose telephone number is (571) 272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
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